



## DEPARTMENT OF COMMERCE

### International Trade Administration

[C-580-879]

#### **Certain Corrosion-Resistant Steel Products from the Republic of Korea: Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review, 2020**

**AGENCY:** Enforcement and Compliance, International Trade Administration, U.S.

Department of Commerce.

**SUMMARY:** The U.S. Department of Commerce (Commerce) preliminarily determines that countervailable subsidies are being provided to producers and exporters of certain corrosion-resistant steel products (CORE) from the Republic of Korea (Korea). The period of review (POR) is January 1, 2020, through December 31, 2020. Additionally, Commerce is rescinding the review with respect to 31 companies.

**DATES:** Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**FOR FURTHER INFORMATION CONTACT:** Dennis McClure or Zachariah Hall, AD/CVD Operations, Office VIII, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-5973 or (202) 482-6261, respectively.

#### **SUPPLEMENTARY INFORMATION:**

##### Background

On July 21 and 29 and August 2, 2021, we received requests for multiple administrative reviews.<sup>1</sup> On September 7, 2021, Commerce published a notice of initiation of an administrative

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<sup>1</sup> See Cleveland-Cliffs Inc., Steel Dynamics Inc., Nucor Corporation, and United States Steel Corporation's Letter, "Request for Administrative Review," dated August 2, 2021; *see also* KG Dongbu Steel's Letter, "Request for Administrative Review," dated July 29, 2021; Hyundai Steel's Letter, "Request for Administrative Review," dated July 20, 2021; SeAH Coated Metal's Letter, "Request for Administrative Review," dated August 2, 2021; and POSCO's and POSCO C&C's Letter, "Request for Administrative Review," dated July 20, 2021.

review of the countervailing duty (CVD) order on CORE from Korea.<sup>2</sup> On September 28, 2021, Commerce selected KG Dongbu Steel Co., Ltd. (KG Dongbu Steel)/Dongbu Incheon Steel Co., Ltd. (collectively, KG Dongbu) and Hyundai Steel Company as mandatory respondents in this administrative review.<sup>3</sup> On March 10, 2022, Commerce extended the deadline for the preliminary results of this review.<sup>4</sup>

For a complete description of the events that followed the initiation of this review, *see* the Preliminary Decision Memorandum.<sup>5</sup> A list of topics discussed in the Preliminary Decision Memorandum is included at the Appendix I to this notice. The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov>. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly at <https://access.trade.gov/public/FRNoticesListLayout.aspx/>.

#### Scope of the *Order*

The merchandise covered by the *Order* is certain corrosion-resistant steel products. For a complete description of the scope of the *Order*, *see* the Preliminary Decision Memorandum.

#### Rescission of Administrative Review, In Part

On February 11, 2022, Commerce notified interested parties that we intended to rescind this administrative review with respect to the 31 companies listed in Appendix III, because there are no reviewable suspended entries for these companies based on the POR entry data from U.S. Customs and Border Protection (CBP).<sup>6</sup> No parties commented on the notification of intent to

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<sup>2</sup> *See Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 86 FR 50034 (September 7, 2021); *see also Certain Corrosion-Resistant Steel Products from India, Italy Republic of Korea and the People's Republic of China: Countervailing Duty Order*, 81 FR 48387 (July 25, 2016) (*Order*).

<sup>3</sup> On March 27, 2020, KG Dongbu Steel's shareholders changed its name from Dongbu Steel to KG Dongbu Steel. *See* Dongbu's Letter, "Affiliated Companies Response," dated October 28, 2021.

<sup>4</sup> *See* Memorandum, "Extension of Deadline for the Preliminary Results of the 2020 Countervailing Duty Administrative Review," dated March 10, 2022.

<sup>5</sup> *See* Memorandum, "Decision Memorandum for the Preliminary Results and Partial Rescission of the Countervailing Duty Administrative Review; 2020: Certain Corrosion-Resistant Steel Products from the Republic of Korea," dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

<sup>6</sup> *See* Memorandum, "Notice of Intent to Rescind Review, In Part," dated February 11, 2022.

rescind the review, in part. Therefore, we determine that there were no entries of subject merchandise, during the POR, by these companies based on the CBP data. As a result of our finding, we are rescinding this review, in part, pursuant to 19 CFR 351.213(d)(3) with respect to the 31 companies listed in Appendix III to this notice.

### Methodology

Commerce is conducting this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a financial contribution from an authority that gives rise to a benefit to the recipient, and that the subsidy is specific.<sup>7</sup> For a full description of the methodology underlying our conclusions, *see* the accompanying Preliminary Decision Memorandum.

### Preliminary Rate for Non-Selected Companies Under Review

The statute and Commerce's regulations do not directly address the CVD rates to be applied to companies not selected for individual examination where Commerce limited its examination in an administrative review pursuant to section 777A(e)(2) of the Act. However, Commerce normally determines the rates for non-selected companies in reviews in a manner that is consistent with section 705(c)(5) of the Act, which provides instructions for calculating the all-others rate in an investigation. Section 777A(e)(2) of the Act provides that "the individual countervailable subsidy rates determined under subparagraph (A) shall be used to determine the all-others rate under section 705(c)(5) {of the Act}." Section 705(c)(5)(A) of the Act states that for companies not investigated, in general, we will determine an all-others rate by weight-averaging the countervailable subsidy rates established for each of the companies individually investigated, excluding zero and *de minimis* rates or any rates based solely on the facts available.

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<sup>7</sup> See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

We preliminarily determine that KG Dongbu is the only mandatory respondent that received countervailable subsidies that are above *de minimis*. Therefore, we preliminarily determine to apply the net subsidy rate calculated for KG Dongbu to the non-selected companies. For a list of the six companies for which a review was requested but are not being rescinded, and which were not selected as mandatory respondents or found to be cross-owned with a mandatory respondent, *see* Appendix II to this notice.

#### Preliminary Results of Review

As a result of this review, we preliminarily determine the net countervailable subsidy rates to be:

<b>Producer/Exporter</b>	<b>Subsidy Rate (percent <i>ad valorem</i>)</b>
KG Dongbu Steel Co., Ltd. and its Cross-Owned Affiliate, Dongbu Incheon Steel Co., Ltd. <sup>8</sup>	9.51
Hyundai Steel Company, and its Cross-Owned Affiliate, Hyundai Green Power.	0.27*
Non-Selected Companies Under Review <sup>9</sup>	9.51

\* (*de minimis*).

#### Verification

As provided in section 782(i)(3) of the Act, Commerce intends to verify the information relied upon for its final results.

#### Disclosure and Public Comment

We intend to disclose to interested parties the calculations performed for these preliminary results within five days of the date of publication of this notice in accordance with 19 CFR 351.224(b). A timeline for the submission of case and rebuttal briefs and written comments will be provided to interested parties at a later date.<sup>10</sup> Note that Commerce has

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<sup>8</sup> Note to importers: in the previous administrative review, Commerce found that KG Dongbu Steel Co., Ltd. is the successor-in-interest to Dongbu Steel Co., Ltd. *See Certain Corrosion-Resistant Steel Products from the Republic of Korea: Final Results and Partial Rescission of Countervailing Duty Administrative Review*; 2019, 87 FR 2759, 2760 (January 19, 2022). The name Dongbu Steel Co., Ltd. should no longer be used on entry documentation.

<sup>9</sup> *See* Appendix II.

<sup>10</sup> *See* 19 CFR 351.309(c) and (d).

temporarily modified certain of its requirements for serving documents containing business proprietary information, until further notice.<sup>11</sup> Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this review are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, limited to issues raised in the case and rebuttal briefs, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, within 30 days after the date of publication of this notice. Requests should contain the party's name, address, and telephone number, the number of participants, whether any participant is a foreign national, and a list of the issues to be discussed. If a request for a hearing is made, Commerce intends to hold the hearing at a time and date to be determined. Parties should confirm by telephone the date, time, and location of the hearing two days before the scheduled date.

Unless the deadline is extended, we intend to issue the final results of this administrative review, which will include the results of our analysis of the issues raised in the case briefs, within 120 days of publication of these preliminary results in the *Federal Register*, pursuant to section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

#### Assessment Rate

In accordance with 19 CFR 351.221(b)(4)(i), we preliminarily assigned subsidy rates in the amounts shown above for the producer/exporters shown above. Upon completion of the administrative review, consistent with section 751(a)(1) of the Act and 19 CFR 351.212(b)(2), Commerce shall determine, and CBP shall assess, countervailing duties on all appropriate entries covered by this review.

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<sup>11</sup> See *Temporary Rule Modifying AD/CVD Service Requirements Due to COVID-19; Extension of Effective Period*, 85 FR 41363 (July 10, 2020).

For the companies for which this review is rescinded, we will instruct CBP to assess CVDs on all appropriate entries at a rate equal to the cash deposit of estimated CVDs required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2020, through December 31, 2020, in accordance with 19 CFR 351.212(c)(1)(i). We intend to issue assessment instructions to CBP for these companies no earlier than 35 days after the date of publication of this notice in the *Federal Register*.

For the companies remaining in the review, we will instruct CBP to assess CVDs on all appropriate entries at the subsidy rates calculated in the final results of this review. We intend to issue assessment instructions to CBP no earlier than 35 days after the date of publication of the final results of this review in the *Federal Register*. If a timely summons is filed at the U.S. Court of International Trade, the assessment instructions will direct CBP not to liquidate relevant entries until the time for parties to file a request for a statutory injunction has expired (*i.e.*, within 90 days of publication).

#### Cash Deposit Requirements

In accordance with section 751(a)(1) of the Act, Commerce intends, upon publication of the final results, to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown for each of the respective companies listed above on shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this administrative review. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or all others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Interested Parties

These preliminary results are issued and published pursuant to sections 751(a)(1) and 777(i)(1) of the Act, and 19 CFR 351.221(b)(4).

Dated: July 29, 2022.

**Lisa W. Wang,**

*Assistant Secretary*

*for Enforcement and Compliance.*

## **Appendix I**

### **List of Topics Discussed in the Preliminary Decision Memorandum**

- I. Summary
- II. Background
- III. Period of Review
- IV. Scope of the *Order*
- V. Diversification of Korea's Economy
- VI. Subsidies Valuation Information
- VII. Analysis of Programs
- VIII. Recommendation



## **Appendix II**

### **List of Non-Selected Companies**

1. POSCO Coated & Color Steel Co., Ltd.
2. POSCO
3. Samsung Electronics Co., Ltd.
4. SeAH Coated Metal
5. SeAH Steel Corporation
6. SY Co., Ltd.

## **Appendix III**

### **List of Rescinded Companies**

1. Ajin H & S Co., Ltd.
2. AJU Steel Co. Ltd.
3. B&N International
4. CDS Global Logistics
5. Daewon SD Co., Ltd.
6. Dong A Hwa Sung Co., Ltd.
7. Dongkuk International, Inc.
8. Jawon Korea Co., Ltd.
9. Kima Steel Corporation
10. Korea Clad Tech. Co., Ltd.
11. Pantos Logistics Co., Ltd.
12. PL Special Steel Co., Ltd.
13. POSCO Daewoo Corp.
14. Prosperity Tieh Enterprise Co., Ltd.
15. Samsung C&T Corporation
16. Sanglim Steel Co., Ltd.
17. Seajin St. Industry, Ltd.
18. Segye Chemical Industry Co., Ltd.
19. Sejung Shipping Co., Ltd.
20. Seun Steel Co., Ltd.
21. Shengzhou Hanshine Import and Export Trade
22. Soon Hong Trading Co., Ltd.
23. SSangyong Manufacturing
24. Sung A Steel Co., Ltd.
25. SW Co., Ltd.
26. Syon
27. TCC Steel. Co., Ltd.
28. Young Steel Co.
29. Young Steel Korea Co., Ltd.
30. Young Sun Steel Co.
31. Yuchang Air Con Co., Ltd.

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